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HANDBOOK ON MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES, 1941 AND 1942

By

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COOPERATIVE RESEARCH AND SERVICE DIVISION

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Cooperative Research and Service Division

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FOREWORD

The information in this publication has been assembled through the cooperation of the farmers' cooperative associations concerned. It is published as an aid to Government agencies that are interested in knowing what facilities various farmers' cooperatives have available so they can make greater use of these facilities in meeting wartime problems.

The Cooperative Research and Service Division conducts research studies and service activities relating to problems of management, organization, policies, merchandising, sales, costs, competition, and membership arising in connection with the cooperative marketing of agricultural products and the cooperative purchase of farm supplies and services; publishes the results of such studies; confers and advises with officials of farmers' cooperative associations; and cooperates with educational agencies, cooperative associations, and others in the dissemination of information relating to cooperative principles and practices.

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CONTENTS

Page

Purpose and scope of handbook 1

PART I

Individual reports for 17 major regional farm supply purchasing cooperatives for fiscal years ending in 1941 and in 1942 3

Cooperative Grange League Federation Exchange, Inc. 4
Eastern States Farmers' Exchange 9
Southern States Cooperative, Inc. 11
Illinois Farm Supply Company 14
Fruit Growers Supply Company 16
(Ohio) Farm Bureau Cooperative Association, Inc. 18
Indiana Farm Bureau Cooperative Association, Inc. 20
Consumers Cooperative Association 22
Farmers Union Central Exchange, Inc. 25
Farmers Cooperative Exchange, Inc. 27
Midland Cooperative Wholesale 29
Farm Bureau Services, Inc. 31
The M.F.A. Milling Company 34
Pennsylvania Farm Bureau Co-operative Association 36
Central Co-operative Wholesale 38
Pacific Supply Cooperative 40
Farmers Union State Exchange 42

PART II

Combined information for 17 major regional farm supply purchasing cooperatives for fiscal years ending in 1941 and in 1942 45

Age of Organizations 46
Area of Service 46
Type of Retail Outlet 46
Number of Patrons Served 47
Number and Type of Employees 47
Volume of Business 47
Type of Supplies Handled 48
Distribution of Savings 55
Financial Condition 55
Source of Net Worth 60

Appendix A. - Value of supplies distributed by three major regional marketing-purchasing cooperatives for fiscal years ending in 1941 and in 1942 60

LOCATION OF 17 MAJOR REGIONAL COOPERATIVE PURCHASING ASSOCIATIONS

HANDBOOK ON MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES, 1941 AND 1942

By Joseph G. Knapp
Principal Agricultural Economist

Purpose and Scope of Handbook

This handbook is designed to present concise, comparable information for each of the 17 major regional farm supply purchasing cooperatives in the United States, for their fiscal years ending in 1941 and in 1942 (part I), and to combine and analyze such information as a means of showing the character and significance of these associations as a group (part II).

The associations described in this handbook perform wholesale service for retail cooperative outlets of various types, except for one association that distributes all supplies direct to individual purchasers. In addition to giving wholesale service, six associations distribute supplies direct to farmers through their own retail outlets, while five also engage in the cooperative marketing of farm products. The individual reports in part I show clearly the main points of similarity and of difference.

Unfortunately, it is not possible to provide here information for the considerable number of regional farm supply purchasing cooperatives which have total net sales of less than 3 million dollars. 1/ It is hoped that information for such associations may be included when this handbook is revised to give information for later years. It should also be pointed out that there are many regional cooperative marketing-purchasing associations that perform cooperative purchasing service. Appendix A presents information on the value of supplies distributed to farmers through the three associations of this type which had supply sales in excess of 3 million dollars in 1942.

NOTE. - Appreciation is expressed to the associations which have kindly provided the information required for the preparation of this handbook; to Miss Jane Scearce, Assistant Agricultural Economist, for her competent assistance; and to Mrs. Jeanne Franklin for her valuable aid, both technical and secretarial.

1/ The Merrimac Farmers Exchange of Concord, New Hampshire, a regional purchasing-marketing association operating in New Hampshire had net purchasing-marketing sales of $5,139,343 for the year ending May 31, 1942. Although the bulk of its volume represents sales of feed and other supplies it is not included with the 17 regional associations since it operates as a farmers stock company which does not distribute savings in patronage dividends.

PART I

INDIVIDUAL REPORTS FOR 17 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1941 AND IN 1942

In this section is presented information for each of the 17 associations on such matters as date of organization, area of service, types of local outlets, volume of business, distribution of savings, and financial condition.

Cooperative Grange League Federation Exchange, Inc.

The Cooperative Grange League Federation Exchange, Inc., commonly called "The G.L.F.," was organized on June 28, 1920. From its administrative offices in Ithaca, New York, it serves farmers in New York, New Jersey, and the northern tier of counties in Pennsylvania - the territory known as the "New York Milk Shed."

The G.L.F. has a centralized form of organization, its board of directors being directly responsible to its farmer-members. Membership is determined by ownership of common stock or by the extent of an individual's purchases or sales through the organization. Any farmer-patron who annually purchases or sells $100 or more of supplies or produce through the organization qualifies as a member. The G.L.F. can also be described as an integrated organization since it performs manufacturing, processing, wholesaling, transportation, and retailing services. At the end of the fiscal year, June 30, 1942, the G.L.F. served over 140,000 patrons, or about one farmer out of every two in its service area.

On June 30, 1942, the G.L.F. was serving its patrons through the following types of retail organization:

Type of retail organization	Number
G.L.F. retail service stores	190 1/
G.L.F. petroleum service stores	44 2/
G.L.F. agent buyers	378
Independent local cooperatives	50
Farmer agents	47
Total retail outlets	709

The G.L.F. retail service stores distribute farm supplies and market farm products for G.L.F. patrons. They have a considerable amount of local autonomy although they are centrally financed and supervised. The G.L.F. Petroleum Service Stores are organized in a similar way except that they are located to perform a specialized petroleum service for patrons over wider areas. The G.L.F. Agent-Buyers are private concerns which have been granted a franchise to handle G.L.F. farm supplies in accordance with G.L.F. instructions. The independent local cooperatives are largely locally controlled farmers' marketing associations which also perform a cooperative purchasing service. The farmer-agents are generally large individual buyers who also serve neighboring patrons.

These various types of retail organization obtain G.L.F. supplies for resale under the same wholesale terms through the manufacturing plants and warehouses which the G.L.F. maintains at Buffalo, Albany, and other strategically located terminal centers.

1/ Includes 170 main stores and 20 branches.
2/ Includes 37 main stores and 7 branches.

The wholesale value of supplies sold by the G.L.F. to these retail outlets was as follows for the fiscal years ending June 30, 1941 and 1942:

Commodities	1941	1942
Feed	$32,013,778	$41,414,222
Fertilizer and lime	3,936,560	4,423,492
Seed and seed potatoes	1,586,626	2,748,748
Petroleum products	2,675,500	4,600,318
Tires, tubes, and accessories	501,500	364,960
Farm machinery	212,600	522,524
Farm equipment	253,400	643,750
Steel products	582,500	565,631
Lumber, paint, etc.	810,378	1,270,625
Insecticides, sprays, shells, bedding, etc.	807,954	1,053,559
Electrical equipment	283,500	151,954
Rope and twine	134,000	356,249
Molasses and cod-liver oil	178,500	294,588
Package materials 1/	65,000	169,056
Miscellaneous 2/	2,261	270,554
Total wholesale sales before elimination of intercompany sales	$44,044,057	$58,850,230
Total wholesale sales after elimination of estimated intercompany sales	$43,967,975	$58,760,614

The value of supplies sold at retail to farmers through G.L.F. managed retail outlets were as follows for the years ending June 30, 1941 and 1942:

	1941	1942
G.L.F. retail service stores	$25,250,467	$36,389,843
G.L.F. petroleum service stores	2,513,439	4,585,893
Total	$27,763,906	$40,975,736

During recent years the G.L.F. has greatly expanded its farm product cooperative marketing services. In general, marketing operations for the G.L.F. are performed through the G.L.F. service stores described above with such special facilities as may be required for such operations. In some cases, however, separate facilities such as canning plants are

1/ Includes baskets and crates.
2/ Includes soap, rubber belts, gas equipment, and canvas.

maintained. The value of farm products marketed by the G.L.F. is shown below for the years ending June 30, 1941 and 1942:

Commodities	Value of products marketed 1941	1942
Eggs	$2,148,560	$3,941,490
Fruits and vegetables (including canned goods)	731,699	1,546,485
Grain (including flours and cereals)	1,177,033	1,224,244
Beans	596,257	847,750
Hay and straw	76,031	236,955
Miscellaneous 1/	262,084	401,604
Total marketing sales after elimination of estimated intercompany sales	$4,991,664	$8,198,528

The net savings of the G.L.F. for the years ending June 30, 1941 and 1942 were derived as follows:

	1941	1942
Manufacturing and wholesale	$1,911,637	$2,848,793
G.L.F. retail service stores	801,799	1,167,388
Petroleum distribution operations	80,613	144,101
Marketing sales	47,805	118,648
Total net savings	$2,841,854	$4,278,930

These net savings were distributed in the following manner:

	1941	1942
Cash dividends on stock	$104,951	$117,365
Patronage dividends in cash	1,588,993	635,587
Patronage dividends in capital stock	1,170	190
Patronage dividends in participation certificates	-	1,353,450
Additions to reserves (including extraordinary depreciation of fixed assets)	1,146,740	2,172,338
Total	$2,841,854	$4,278,930

1/ Includes egg cases, potatoes, bags, and poultry.

The financial condition of the G.L.F. as of June 30, 1941 and 1942 is shown in the following condensed consolidated balance sheet of the Cooperative G.L.F. Exchange, Inc., and its wholesale subsidiaries:

	1941	1942
Assets:		
Current assets	$9,803,937	$12,699,830
Fixed assets	1,973,680	3,396,386
Other assets	1,179,387	1,353,633
Total assets	$12,957,004	$17,449,849
Liabilities and net worth:		
Current liabilities	$4,147,455	$5,798,004
Other liabilities	1,800,000	1,633,333
Net worth	7,009,549	10,018,512
Total liabilities and net worth	$12,957,004	$17,449,849

Of the net worth on June 30, 1942 savings retained out of earnings represented 69 percent, the remaining 31 percent being accumulated through the sale of stock.

The following tabulation provides information on the number and value of facilities owned and operated by the G.L.F. on June 30, 1942:

	Number of plants or units	Cost value	Depreciated value
Feed mills	3	$3,962,991	$2,196,828
Fertilizer plants	9	704,875	348,023
Seed cleaning plants	5	490,090	3,746
Wholesale farm supply warehouses	7	80,910	8,316
Farm supplies manufacturing plant	1	1,915	1
Retail farm supply branch stores	184	2,393,413	1,130,100
Bulk petroleum plants	39	465,645	313,556
Lumber mill	1	256,750	239,251
Marketing warehouses (includes two canning plants)	37	531,683	418,403
Office buildings and equipment	-	880,097	226,541
Tractors, trucks, etc.	405	664,369	410,855
Total		$10,432,738	$5,295,620

The wide difference between the cost and depreciated value of such facilities, as shown above, reflects the rapid rate at which the G.L.F. has depreciated its facilities as a matter of policy. Cost values would more nearly reflect the cost of replacement.

On June 30, 1942 the G.L.F. had 3,249 employees. Of these, 424 were engaged in general administration activities, 676 in manufacturing and processing operations, 1,740 in retail distribution, and 409 in farm product marketing work. These figures do not include retail employees of independent cooperatives and agent-buyers and their employees who may spend the bulk of their time in distributing G.L.F. farm supplies.

Eastern States Farmers' Exchange

The Eastern States Farmers' Exchange, with headquarters at West Springfield, Massachusetts, was organized on January 28, 1918. At the end of its operating year, December 31, 1942, it was serving over 90,000 patrons located in the six New England States, in Pennsylvania (except for the northern tier of counties), in Delaware, and in part of Maryland.

Membership in the Eastern States Farmers' Exchange is determined by use. Every farmer who purchases through the Exchange becomes a member and remains a member for 2 calendar years after the date of last purchase. Only 2.5 percent of the volume of business is with nonfarmers, although about one-fourth of the patrons are nonfarmers.

The Eastern States Farmers' Exchange serves its patrons through 60 regional branch warehouses which are strategically located to supplement local car-door distribution through 512 farmer-representatives, and through 26 independent cooperative associations which also serve as representatives.

The Exchange is an integrated organization which performs buying, manufacturing, and distributing functions for the farmer or ultimate consumer. The value of the purchases by patrons for 1941 and 1942 were as follows:

Commodities	1941	1942
Feed and grain	$23,121,694	$31,905,302
Field seeds	541,098	818,840
Seed potatoes	319,193	485,613
Vegetable seeds	93,777	128,849
Fertilizer and lime	1,566,011	1,907,088
Spray materials	170,440	232,773
Miscellaneous (roofing, oil, paint, etc.)	428,614	493,999
Total	$26,240,827	$35,972,464

The total savings of the Eastern States Farmers' Exchange were $1,132,357 in 1941 and $1,334,337 in 1942. These savings were distributed as follows for the 2 years:

	1941	1942
Patronage dividends	$905,886	$1,067,470
Retained in reserves	226,471	266,867
Total	$1,132,357	$1,334,337

The financial statements for the Eastern States Farmers' Exchange as of December 31, 1941 and 1942, were as follows:

	1941	1942
Assets:		
Current assets	$4,022,142	$5,034,257
Fixed assets	1,703,184	1,597,192
Other assets	228,406	239,941
Total assets	$5,953,732	$6,871,390
Liabilities and net worth:		
Current liabilities	$2,259,300	$3,410,090
Fixed indebtedness	500,000	-
Net worth (patrons' equity)	3,194,432	3,461,300
Total liabilities and net worth	$5,953,732	$6,871,390

It is significant that all of the net worth, or patrons' equity, was accumulated through retained savings.

The accumulated capital expenditures of the Exchange for its feed mill, two fertilizer plants, regional warehouses, and other operating facilities, amounted to $6,001,425 on December 31, 1942. However, only $1,597,192 was carried on the books as capital investment since the Exchange has followed the policy of rapidly writing off the value of its facilities and equipment.

In December of 1942, the Exchange had 880 employees of which 289 were employed in general administration, 419 in manufacturing and processing, and 172 in distribution through its warehouse. These figures include only employees on the pay roll of the organization. They do not include the number of farmer-representatives and employees of cooperatives who distribute supplies for the Exchange on a commission basis.

Southern States Cooperative, Inc.

The Southern States Cooperative, Inc., of Richmond, Virginia, was organized on July 21, 1923 under the name, Virginia Seed Service. At the end of its operating year, June 30, 1942, it was serving approximately 125,000 patrons in Virginia, West Virginia, Maryland, and Delaware. More than 99 percent of its patrons are farmers, while 91 percent are members. A farmer-patron becomes a member by acquiring ownership of a share of stock through the application of patronage dividend payments.

On June 30, 1942 the S.S.C. was serving its patrons through the following types of retail organization:

Types of retail outlet	Number
S.S.C. retail service stores	61
S.S.C. petroleum service plants	19
S.S.C. service agencies	706
Independent local cooperative associations	30
Farmer agents (fertilizer only)	2,092

The S.S.C. retail service stores and petroleum service plants are separately incorporated cooperative associations which are under the management supervision of the S.S.C. The S.S.C. service agencies are private retail supply dealers who have contracted to handle S.S.C. supplies under agreed-upon conditions. The independent local cooperatives are separately incorporated marketing and purchasing associations which use the S.S.C. as a wholesale source of supply. The farmer-agents are individual farmers who pool fertilizer orders and arrange distribution for their neighbors.

In addition to performing a wholesale service for the above groups of retail outlets, the S.S.C. also performs a feed manufacturing service for the Farmers Cooperative Exchange of North Carolina, the Pennsylvania Farm Bureau Cooperative Association, and the Farm Bureau Cooperative Association of Ohio through jointly owned manufacturing facilities. Similarly, manufacturing service for fertilizer is performed for the Farmers Cooperative Exchange of North Carolina and the Pennsylvania Farm Bureau Cooperative Association.

The value of supplies distributed at wholesale through the retail outlets enumerated above, plus the value of supplies manufactured for the account

of affiliated regional cooperatives, was as follows for the fiscal years ending June 30, 1941 and 1942:

Commodities	1941	1942
Feed	$6,730,377	$9,427,459
Fertilizer	4,461,031	5,206,397
Seed	995,039	1,461,389
Petroleum	528,584	900,677
Other supplies	858,956	2,704,658
Total	$13,573,987	$19,700,580

The value of supplies distributed at retail by S.S.C. managed retail outlets amounted to $3,487,322 in 1941 and $7,819,562 in 1942.

The value of S.S.C. marketing sales (eggs) amounted to $1,019,405 in 1941 and $1,197,720 in 1942.

The combined value of all commodities sold through the S.S.C. thus amounted to $18,080,714 in 1941 and $28,717,862 in 1942.

The total savings from all operations amounted to $605,459 in 1941 and $1,372,362 in 1942. These savings were distributed in the following way:

	1941	1942
Cash dividends on stock	$63,000	$96,665
Patronage dividends (in cash or capital stock)	535,000	927,172
Retained in reserves or unallocated	7,459	348,525

The financial condition of the S.S.C. as of June 30, 1941 and 1942 is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$2,612,334	$4,088,167
Fixed assets	1,452,597	2,392,246
Other assets	204,141	319,365
Total	$4,269,072	$6,799,778
Liabilities and net worth:		
Current liabilities	$525,161	$825,921
Fixed indebtedness	1,575,000	2,500,000
Net worth (capital and reserves)	2,168,911	3,473,857
Total	$4,269,072	$6,799,778

Retained savings represented 66 percent of the net worth as of June 30, 1942.

The following tabulation provides information on the type and value of principal S.S.C. operating facilities, as of June 30, 1942:

Type	Number of plants or units	Cost value	Depreciated value
Feed mills	5	$1,131,248	$934,427
Fertilizer plants	3	557,974	454,498
Seed cleaning plants	3(	390,628	338,480
Wholesale farm supply warehouses	4(		
S.S.C. retail service stores	61	310,789	264,249
Bulk petroleum plants	19	277,137	237,418
Oil delivery trucks	30	100,023	75,724
Transport trucks	5	34,359	19,349
General delivery trucks	7	11,559	2,536
Total value		$2,813,717	$2,326,781

On June 30, 1942 the S.S.C. had 798 employees. Of these 125 were engaged in general administrative activities, 472 in manufacturing and processing operations, and 201 in retail distribution.

Illinois Farm Supply Company

The Illinois Farm Supply Company, with headquarters in Chicago, was organized in 1927. At the end of its operating year, August 31, 1942, it was providing a wholesale farm supply service for 149 member associations 1/ throughout the State of Illinois which, in turn, served about 80,000 patrons, of whom approximately 90 percent were farmers. Member associations must operate under the Capper-Volstead Act and the Agricultural Cooperative Act of Illinois, and be engaged in whole or in part in cooperative distribution of farm supplies.

The wholesale supply sales of the Illinois Farm Supply Company were distributed as follows during the fiscal years ending August 31, 1941 and 1942:

Commodities	1941	1942
Feed	$885,907	$2,461,061
Fertilizer	14,481	57,692
Petroleum products	7,768,077	9,383,238
Tires, tubes, and accessories	423,388	367,079
Farm equipment	238,263	49,312
Steel products	457,842	358,900
Lumber, paint, other maintenance equipment	481,091	707,410
Insecticides	130,758	125,860
Electrical equipment	25,011	27,750
Twine	2/	39,541
Miscellaneous 3/	1,912,493	1,505,937
Total wholesale sales	$12,337,311	$15,083,780

The total net savings from all operations amounted to $1,102,051 in 1941 and $1,055,499 in 1942. These savings were distributed for the 2 years in the following way:

	1941	1942
Cash dividends on stock	$17,580	$26,701
Patronage dividends in cash	891,396	902,818
Additions to reserves	193,075	125,980
Total	$1,102,051	$1,055,499

1/ 65 of the member associations are cooperative petroleum service companies which operate over county-wide areas. The remaining 81 are farmers cooperative associations of various types.
2/ Twine sales of $30,004 in 1941 were included in Miscellaneous.
3/ Miscellaneous figures in both 1941 and 1942 include the gross freight income of the transportation department.

The financial condition of the Illinois Farm Supply Company as of August 31, 1941 and 1942, was as follows:

	1941	1942
Assets:		
Current assets	$1,826,184	$2,095,772
Fixed assets	354,258	320,546
Other assets	36,071	56,823
Total assets	$2,216,513	$2,473,141
Liabilities and net worth:		
Current liabilities	$1,205,095	$971,368
Other liabilities	110,627	134,316
Net worth (capital and reserves)	900,791	1,367,457
Total liabilities and net worth	$2,216,513	$2,473,141

On August 31, 1942, 20 percent of the net worth had been accumulated through the sale of stock while 80 percent represented savings retained out of earnings.

Information on the type and value of principal operating facilities owned by the Illinois Farm Supply Company as of August 31, 1942, is here given:

Type	Number of plants or units	Cost value	Depreciated value
Marine terminal bulk petroleum plants	2	$146,473	$63,090
Transport trucks	14	108,959	79,529
Barges	4	95,189	61,592
Towboat	1	100,732	93,265
Total operating facilities		$451,353	$297,476

As of August 31, 1942, the Illinois Farm Supply Company had 122 employees, of whom 8 were engaged in general administration and 114 in wholesale distribution.

Fruit Growers Supply Company

The Fruit Growers Supply Company of Los Angeles, California, organized in October 1907, is the oldest major farmers' cooperative purchasing association. It serves 163 member citrus packing house associations with 12,000 farmer-members who are located in the citrus districts of southern and central California. Although separately incorporated and managed, it is in fact the supply department for the California Fruit Growers Exchange.

The wholesale supply sales of the Fruit Growers Supply Company were distributed during 1941 and 1942 as follows:

Commodities	1941	1942
Fertilizer	$1,249,682	$1,425,104
Miscellaneous orchard supplies	293,772	333,613
Gas, oil, and grease	44,375	45,022
Insecticides	1,093,693	1,216,583
Box shook, tissue paper wraps, and other packing supplies	9,590,711	10,532,524
Total wholesale supply sales	$12,277,233	$13,552,846

The total patronage dividends on these sales amounted to $1,156,204 in 1941 and $1,538,301 in 1942, all of which were distributed in cash.

The financial condition of the Fruit Growers Supply Company as of December 31, for 1941 and 1942, is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$4,559,464	$4,656,860
Fixed assets	3,402,794	3,284,400
Total assets	$7,962,258	$7,941,260
Liabilities and net worth:		
Current liabilities	$1,225,108	$567,013
Net worth (capital and reserves)	6,737,150	7,374,247
Total liabilities and net worth	$7,962,258	$7,941,260

At the close of the 1942 season the Fruit Growers Supply Company had $8.21 in current assets for every dollar of current liabilities, and the net worth amounted to 92.8 percent of the total assets.

As of December 31, 1942, 81.4 percent of the net worth had been accumulated through the sale of stock, while 18.6 percent represented savings retained out of earnings.

The Fruit Growers Supply Company owns and operates two lumber plants which at the close of 1942 had a depreciated value of $2,032,957.

On December 31, 1942, the Company had 657 employees engaged in manufacturing and processing and 63 engaged in general administration.

(Ohio) Farm Bureau Cooperative Association, Inc.

The Farm Bureau Cooperative Association, Inc., with headquarters at Columbus, Ohio, was organized in its present form on July 31, 1933. At the end of its operating year, December 31, 1942, it was serving 88 member associations, with 144 distribution points, in the State of Ohio. These cooperative outlets served 108,000 patrons, of whom 92 percent were farmers.

The wholesale supply sales of the Farm Bureau Cooperative Association, Inc., were distributed for 1941 and 1942 in the following way:

Commodities	1941	1942
Feed	$2,590,071	$3,612,712
Fertilizer	1,438,258	1,749,009
Seed	303,800	463,378
Gas, oil, and grease	2,223,761	2,675,923
Tires, tubes, and other accessories	84,827	37,559
Farm machinery	232,303	282,427
Farm equipment	43,350	56,370
Steel products	250,004	165,536
Lumber, paint, and other maintenance equipment	152,559	229,365
Insecticides	149,424	201,930
Electrical equipment and appliances	189,166	172,883
Twine	74,948	101,470
Coal	196,296	256,796
Miscellaneous farm supplies	250,190	290,685
Total wholesale supply sales	$8,178,957	$10,296,043

The value of farm products marketed through the Farm Bureau Cooperative Association, Inc., amounted to the following:

Commodities	1941	1942
Grain	$1,193,203	$1,724,292
Eggs, butter	606,726	830,251
Total value of farm products	$1,799,929	$2,554,543

The total net savings from all operations amounted to $248,369 in 1941 and $359,607 in 1942. The distribution of these savings was as follows:

	1941	1942
Cash dividends on stock	$11,915	$16,029
Cash patronage dividends	47,789	83,265
Patronage dividends in capital stock	58,142	85,470
Retained in reserves	130,523	174,843
Total net savings	$248,369	$359,607

The financial condition of the Farm Bureau Cooperative Association, Inc., as of December 31, 1941 and 1942, is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$1,363,341	$1,451,308
Fixed assets	328,834	594,807
Other assets	404,679	438,480
Total assets	$2,096,854	$2,484,595
Liabilities and net worth:		
Current liabilities	$917,735	$707,595
Other liabilities	316,052	438,320
Net worth (capital and reserves)	863,067	1,338,680
Total liabilities and net worth	$2,096,854	$2,484,595

Forty-four percent of the net worth was accumulated through the sale of stock, while 56 percent was retained out of savings.

The principal operating facilities owned and operated by the Farm Bureau Cooperative Association, Inc., at the close of the 1942 fiscal year are listed below:

Type	Number of plants or units	Cost value	Depreciated value
Feed mills	2	$171,709	$151,984
Fertilizer plants 1/	3	160,006	134,662
Wholesale farm supply warehouses	4	15,542	4,999
Refinery	1	2/	2/
Transport trucks	3	27,383	10,197
Oil delivery trucks	7	70,675	52,445
Total value		$445,315	$354,287

As of December 31, 1942, the Farm Bureau Cooperative Association, Inc., had 213 employees. Of this number, 116 were engaged in general administration, 77 in manufacturing and processing, and 20 in wholesale distribution.

1/ The Farm Bureau Cooperative Association also held a part ownership in two other cooperative fertilizer plants which was valued on its books at $97,700 as of December 31, 1942.
2/ In process of rehabilitation.

Indiana Farm Bureau Cooperative Association, Inc.

The Indiana Farm Bureau Cooperative Association, Inc., with headquarters at Indianapolis, Indiana, was organized in its present form in February 1927. At the end of its operating year, December 31, 1942, it was serving 86 county farm bureau cooperative associations, two of which are located in Kentucky and the remainder in Indiana. Together, these associations distribute supplies to approximately 100,000 patrons, 95 percent of whom are farmers.

The wholesale supply sales of the Indiana Farm Bureau Cooperative Association, Inc., were distributed during 1941 and 1942 as follows:

Commodities	1941	1942
Feed	$1,705,383	$2,442,397
Fertilizer	1,210,118	1,815,846
Seed	264,998	378,688
Gas, oil, and grease	3,720,451	4,223,767
Tires, tubes, and other accessories	81,627	35,288
Farm machinery	371,919	455,203
Farm equipment	778,305	80,671
Steel products	93,598	61,818
Lumber, paint, and other maintenance equipment	301,860	1,030,879
Insecticides	51,069	78,632
Electrical equipment and appliances	214,198	125,903
Twine	54,608	66,824
Coal	378,399	456,781
Chicks, eggs, and poultry	104,411	145,768
Miscellaneous	167,653	128,614
Total wholesale supply sales	$9,498,597	$11,527,079

The total net savings on these sales amounted to $595,958 in 1941 and $793,428 in 1942. The savings were distributed as follows:

	1941	1942
Cash dividends on stock	$ -	$74,376
Patronage dividends in capital stock	338,852	496,897
Retained in reserves	250,000	200,000
Retained for surplus adjustments	7,106	22,155
Total net savings	$595,958	$793,428

The financial condition of the Indiana Farm Bureau Cooperative Association, Inc., as of December 31, for 1941 and 1942, is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$1,449,638	$1,951,488
Fixed assets	843,269	933,157
Other assets	647,213	862,691
Total assets	$2,940,120	$3,747,336
Liabilities and net worth:		
Current liabilities	$201,496	$353,455
Other liabilities	565,000	450,000
Net worth (capital and reserves)	2,173,624	2,943,881
Total liabilities and net worth	$2,940,120	$3,747,336

On December 31, 1942, 73.4 percent of the net worth represented savings retained out of earnings, while 26.6 percent had been accumulated through the sale of stock.

At the close of 1942, the Indiana Farm Bureau Cooperative Association, Inc., owned and operated the following principal facilities:

Type	Number of plants or units	Cost value	Depreciated value
Fertilizer plants	2	$390,742	$339,649
Seed cleaning plants	1	14,620	7,923
Wholesale farm supply warehouses		111,989	75,821
Petroleum refinery	1	323,555	242,920
Transport trucks	17	91,324	37,857
General delivery trucks	9	12,887	5,244
Barge and towboat	1	40,000	38,056
Total value		$985,117	$747,470

The association had at the close of the 1942 season 293 employees of whom 113 were engaged in general administration activities, 85 in manufacturing and processing, and 95 in wholesale distribution work.

Consumers Cooperative Association

The Consumers Cooperative Association of North Kansas City, Missouri, was organized in 1929. At the end of its operating year, August 31, 1942, it served 592 member and 400 nonmember associations in Missouri, Kansas, Oklahoma, Nebraska, Iowa, Colorado, North Dakota, South Dakota, Utah, and Wyoming. These associations, in turn, served approximately 135,000 patrons, of whom about 98 percent were farmers.

The wholesale supply sales of the C.C.A. were distributed as follows for the fiscal years ending August 31, 1941 and 1942:

Commodities	1941	1942
Petroleum products	$5,619,513	$7,814,442
Tires, tubes, and accessories	422,470	343,977
Paint	76,155	115,715
Twine	120,319	255,268
Spray	13,680	17,324
Machinery	5,090	9,809
Wire and steel	101,930	84,262
Lumber and roofing	118,606	145,878
Groceries	238,889	504,455
Household appliances	117,716	121,979
Miscellaneous 1/	16,688	15,778
Total wholesale sales	$6,851,056	$9,428,887

On August 31, 1942 the C.C.A. was serving 8,099 members direct through facilities operated by its retail department. The retail sales of this department increased from $383,450 in 1941 to $456,311 in 1942.

The net savings of the C.C.A. were as follows for the fiscal years ending August 31, 1941 and 1942:

	1941	1942
Wholesale	$161,346	$191,608
Retail	12,306	-1,508 2/
Total	$173,652	$190,100

1/ Service station equipment and farm supplies.
2/ Plus patronage refund from subsidiaries.

The financial condition of the C.C.A. as of August 31, 1941 and 1942, is shown below:

	1941	1942
Assets:		
Current assets	$549,969	$877,514
Fixed assets	260,737	402,058
Other assets	215,655	473,318
Total assets	$1,026,361	$1,752,890
Liabilities and net worth:		
Current liabilities	$265,742	$489,729
Other liabilities	52,664	224,160
Net worth (capital and reserves)	707,955	1,039,001
Total liabilities and net worth	$1,026,361	$1,752,890

Of the net worth as of August 31, 1942, .14 percent was accumulated through sale of stock, and 99.86 percent represented savings retained out of earnings.

The C.C.A. employs three subsidiary corporations to perform manufacturing services - the Cooperative Refinery Association, the Cooperative Pipe Line Association, and the Cooperative Oil Producers Association. The common stock of each subsidiary organization is owned by the Consumers Cooperative Association, and its directors are also the directors of the subsidiary corporations. Savings of the subsidiaries after reserves have been created and dividends paid on common and preferred stock accrue to the C.C.A. For that reason the full financial condition of the enterprise controlled by the C.C.A. can only be shown by combining the financial statements of the C.C.A. with those of its three subsidiary corporations. The composite balance sheets of the C.C.A. and of the C.R.A., C.P.L.A., and the C.O.P.A., for the years ending August 31, 1941 and 1942, were as follows:

	1941	1942
Assets:		
Current assets	$969,015	$1,659,216
Fixed assets	1,108,092	1,752,037
Other assets	111,385	199,836
Total assets	$2,188,492	$3,611,089
Liabilities and net worth:		
Current liabilities	$550,716	$854,495
Other liabilities	338,708	838,051
Net worth	1,299,068	1,918,543
Total liabilities and net worth	$2,188,492	$3,611,089

The combined net sales of the C.C.A. and the C.R.A., C.P.L.A., and the C.O.P.A. for the years ending August 31, 1941 and 1942, were as follows:

Sales	1941	1942
Consumers Cooperative Association	$7,234,506	$9,885,198
Cooperative Refinery Association	1,709,647	3,234,778
Cooperative Pipe Line Association	1,121,945	1,661,597
Cooperative Oil Producers Association	14,704	45,012
Total sales	$10,080,802	$14,826,585

The following tabulation shows the combined savings of the C.C.A., C.R.A., C.P.L.A., and C.O.P.A., for the years ending August 31, 1941 and 1942:

	1941	1942
Consumers Cooperative Association	$173,652	$190,101
Cooperative Refinery Association	204,315	433,009
Cooperative Pipe Line Association	36,690	40,763
Cooperative Oil Producers Association	9,242	28,429
Total	$423,899	$692,302

These savings were distributed in the following manner for the 2 years:

	1941	1942
Cash dividends on stock	$24,736	$29,047
Patronage refunds in cash	28,487	25,018
Patronage refunds in share capital	29,389	45,136
Additions to reserves	83,326	117,801
Deferred patronage refunds and revolving fund	257,961	475,300
Totals	$423,899	$692,302

The Consumers Cooperative Association and its subsidiary corporations had 808 employees on August 31, 1942, of whom 130 were employed in general administration, 448 1/ in manufacturing and processing, 80 in wholesale distribution, and 150 in retail distribution.

1/ Includes 300 used in canning operations during seasonal pack only.

Farmers Union Central Exchange, Inc.

Farmers Union Central Exchange, Inc., with headquarters at St. Paul, Minnesota, was organized in 1931. At the end of its fiscal year, December 31, 1942, it had served 300 member associations with 160,000 patrons, 95 percent of whom were farmers, and 3 nonmember associations with 10,000 patrons, 85 percent of whom were farmers. It operates in North Dakota, South Dakota, Montana, Minnesota, and Wisconsin.

The wholesale supply sales of the F.U.C.E. were distributed during 1941 and 1942 as follows:

Commodities	1941	1942
Feed, seed, flour, and fertilizer	$316,200	$630,283
Gas, oil, and grease	5,554,190	6,425,064
Tires, tubes, and other accessories	801,471	506,134
Farm machinery	767,065	559,090
Steel products		90,271
Lumber, paint, and other maintenance equipment	130,056	227,968
Insecticides	26,982	25,048
Electrical equipment and appliances	144,527	101,158
Twine	115,787	192,714
Coal	20,691	39,699
Groceries	-	21,961
Oil equipment	62,702	-
Miscellaneous	113,754	130,366
Total wholesale supply sales	$8,053,425	$8,949,756

The total net savings on these sales amounted to $321,046 in 1941 and $347,663 in 1942. These savings were distributed in the following manner:

	1941	1942
Cash dividends on stock	$18,367	$34,563
Educational fund	16,053	17,383
Patronage dividends in capital stock	174,257	200,951
Retained in reserves	112,369	94,766
Total net savings	$321,046	$347,663

The financial condition of the Farmers Union Central Exchange, Inc., as of December 31, for 1941 and 1942 is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$1,338,192	$1,684,644
Fixed assets	276,109	289,231
Other assets	40,396	41,424
Total assets	$1,654,697	$2,015,299
Liabilities and net worth:		
Current liabilities	$459,783	$527,097
Net worth (capital and reserves)	1,194,914	1,488,202
Total liabilities and net worth	$1,654,697	$2,015,299

As of December 31, 1942, 99.6 percent of the net worth represented savings retained out of earnings, while only .4 percent was accumulated through the sale of stock.

The Farmers Union Central Exchange, Inc., owned and operated the following facilities at the close of 1942:

Type	Number of plants or units	Cost value	Depreciation value
Wholesale farm supply warehouses	5	$51,682	$36,873
Oil blending plant	1	185,756	155,498
Oil blending equipment	1	38,220	22,068
Auto and trucks		48,353	38,681
Furniture and fixtures		34,859	14,186
Others		28,902	21,925
Total value		$387,772	$289,231

As of December 31, 1942, the Farmers Union Central Exchange, Inc., had 96 employees engaged in wholesale distribution and 15 engaged in general administration.

Farmers Cooperative Exchange, Inc.

The Farmers Cooperative Exchange, Inc. (the F.C.X.), with headquarters at Raleigh, North Carolina, was organized on March 12, 1934. It serves approximately 37,000 patrons in North Carolina and South Carolina, of whom about 97 percent are farmers.

The F.C.X. distributes supplies through 31 F.C.X. retail service stores, which are centrally managed, 11 independent cooperative associations, 189 private dealer agencies, and 592 farmer "order takers" for fertilizer.

The wholesale supply sales of the F.C.X. were distributed as follows for the years ending December 31, 1941 and 1942:

Commodities	1941	1942
Feed	$1,043,835	$2,127,597
Fertilizer	793,839	854,007
Seed and farm supplies	479,734	609,085
Steel products and paint	156,979	65,093
Total wholesale supply sales	$2,474,387	$3,655,782

The value of supplies distributed at retail by F.C.X. managed retail outlets amounted to $1,848,871 in 1941 and $2,825,572 in 1942.

The value of farm products marketed by the F.C.X. was as follows for 1941 and 1942:

Commodities	1941	1942
Potatoes	$255,377	$556,304
Seeds	93,500	150,000
Eggs, poultry, and miscellaneous	40,000	409,795
Total sales of farm products	$388,877	$1,116,099

The total net savings of the combined operations of the F.C.X. amounted to $175,666 in 1941 and $238,232 in 1942. These savings were distributed in the following way:

	1941	1942
Cash dividends on stock	$6,110	$12,552
Cash patronage dividends	41,000	-
Patronage dividends in capital stock	28,564	92,246
Retained in reserves	99,992	133,434
Total net savings	$175,666	$238,232

The financial condition of the F.C.X. as of December 31, 1941 and 1942 is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$487,458	$706,167
Fixed assets	74,486	83,909
Other assets	118,635	139,974
Total assets	$680,579	$930,050
Liabilities and net worth:		
Current liabilities	$401,341	$460,863
Other liabilities	10,950	4,988
Net worth (capital and reserves)	268,288	464,199
Total liabilities and net worth	$680,579	$930,050

Sixty percent of the net worth as of December 31, 1942, had been retained out of savings. The balance had been accumulated through the sale of stock or from membership fees.

The F.C.X. obtains manufacturing service from the Southern States Cooperative, Inc., through a jointly owned feed mill at Statesville and a fertilizer plant at Norfolk, Virginia. The F.C.X. investment in these facilities as of December 31, 1942, amounted to $94,495. The F.C.X. also owns 7 small seed cleaning plants and 22 general delivery trucks.

At the close of the 1942 fiscal year the F.C.X. had 210 employees, 30 engaged in general administration, 172 in retail distribution, and 8 in wholesale distribution.

Midland Cooperative Wholesale

The Midland Cooperative Wholesale, with headquarters at Minneapolis, Minnesota, was organized on September 8, 1926. At the end of its operating year, December 31, 1942, it was serving 251 member associations with 200,000 patrons, 92 percent of whom were farmers, and 200 nonmember associations with 140,000 patrons, 92 percent of whom were farmers. The Association operates throughout all Minnesota except the northeastern quarter, all of Wisconsin except the extreme north and northwest, northern Iowa, and in the extreme eastern part of the Dakotas.

The wholesale supply sales of the Midland Cooperative Wholesale were distributed during 1941 and 1942 in the following way:

Commodities	1941	1942
Feed	$141,192	$411,689
Fertilizer	62,935	157,955
Seed	19,324	128,509
Gas, oil, and grease	4,431,209	4,784,023
Tires, tubes, and accessories	497,101	237,066
Farm machinery	-	40,836
Farm equipment	-	32,794
Steel products	122,472	92,528
Lumber, paint, etc.	88,043	125,100
Insecticides	31,166	25,415
Electrical equipment	224,370	173,308
Twine	-	54,783
Coal	59,028	67,271
Groceries	313,731	459,055
Hardware	92,658	140,083
Drums, containers, and equipment	126,645	-
Miscellaneous	18,922	19,094
Total wholesale supply sales	$6,228,796	$6,949,509

The total net savings on these sales amounted to $124,781 in 1941 and $149,503 in 1942. These savings were distributed in the following manner:

	1941	1942
Cash dividends on stock	$11,391	$13,230
Patronage dividends in capital stock	102,051	122,646
Retained in reserves	11,339	13,627
Total net savings	$124,781	$149,503

The financial condition of the Midland Cooperative Wholesale as of December 31, for 1941 and 1942, is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$739,041	$874,819
Fixed assets	109,379	103,545
Other assets	165,442	71,214
Total assets	$1,013,862	$1,049,578
Liabilities and net worth:		
Current liabilities	$337,770	$256,516
Other liabilities	32,267	32,748
Net worth (capital and reserves)	643,825	760,314
Total liabilities and net worth	$1,013,862	$1,049,578

Eighty-eight percent of the net worth represented savings retained out of earnings and 12 percent was accumulated through the sale of stock.

As of December 31, 1942, the Midland Cooperative Wholesale owned and operated the following principal facilities:

Type	Number of plants or units	Cost value	Depreciated value
Oil blending plants	2	$13,462	$5,238
Bulk petroleum plants	2	21,609	11,918
Office buildings	2	63,917	43,014
Transport trucks and trailers	4	17,754	9,267
Barges and other		50,128	31,650
Total operating facilities		$166,870	$101,087

At the close of the 1942 operating season the Midland Cooperative Wholesale had 139 employees engaged in general administration and wholesale distribution.

Farm Bureau Services, Inc.

Farm Bureau Services, Inc., with headquarters at Lansing, Michigan, was organized on October 25, 1929, to provide a cooperative wholesale farm supply service for farmers' cooperative associations in Michigan. At the end of its fiscal year, August 31, 1942, this organization provided supply service through 139 member-associations, 1/ 61 nonmember associations, and 100 private dealer-outlets to some 200,000 patrons. Farmers represented approximately 90 percent of the patrons of these retail outlets.

Wholesale sales of Farm Bureau Services, Inc., were distributed by commodity as follows for the fiscal years ending August 31, 1941 and 1942:

Commodities	1941	1942
Feed	$954,436	$1,792,261
Fertilizer	534,802	682,147
Seed	287,746	416,214
Petroleum products	693,655	800,331
Tires, tubes, and accessories; farm machinery and equipment	274,356	295,024
Steel products	343,979	260,379
Lumber, paint, and other maintenance equipment	38,220	58,900
Insecticides	124,677	153,931
Electrical equipment and appliances	83,266	85,149
Binder twine	72,125	84,268
Coal	110,723	131,424
Total wholesale sales	$3,523,985	$4,760,028

In addition to the wholesale supply sales, the value of supplies distributed direct to consumers through eight branch retail outlets amounted to $928,714 in 1941 and $1,244,298 in 1942.

While Farm Bureau Services, Inc., is primarily a cooperative purchasing association, it also marketed farm products as follows during the years ending August 31, 1941 and 1942:

Commodities	1941	1942
Grain	$184,047	$195,659
Beans and potatoes	36,647	63,605
Eggs and poultry	12,120	62,431
Total	$232,814	$321,695

1/ Of these, 14 associations were managed by Farm Bureau Services, Inc., under "Management Contracts."

The total net savings of the organization for the fiscal years 1941 and 1942 were as follows:

	1941	1942
On wholesale supply sales	$55,887	$186,011
On retail supply sales	25,884	47,403
On marketing sales	6,650	11,851
Total	$88,421	$245,265

These savings were distributed as follows:

	1941	1942
Cash dividends on stock	$10,973	$12,492
Patronage dividends in capital stock	44,390	232,773
Additions to reserves	33,058	- -
Total	$88,421	$245,265

The financial condition of Farm Bureau Services, Inc., as of August 31, 1941 and 1942 is shown by the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$876,038	$794,092
Fixed assets	72,059	174,896
Other assets	188,936	136,679
Total assets	$1,137,033	$1,105,667
Liabilities and net worth:		
Current liabilities	$621,147	$321,964
Fixed indebtedness	46,121	84,473
Net worth (capital and reserves)	469,765	699,230
Total liabilities and net worth	$1,137,033	$1,105,667

The net worth as of August 31, 1942 largely represented retained savings, only 16 percent having been accumulated through sale of stock and membership fees.

Information on the type and value of principal operating facilities owned by the Farm Bureau Services, Inc., as of August 31, 1942, is here given:

Type	Number of plants or units	Cost value	Depreciated value
Wholesale farm supply warehouse	1	$50,780	$45,019
Seed cleaning plant	1	12,922	7,866
Retail farm supply branches	8	104,926	70,805
General delivery truck	19	15,760	8,511
Bulk petroleum plants 1/	3	9,945	8,425
Supply stores and elevators 1/	3	46,048	28,019
Office and other equipment	-	13,227	6,250
Totals		$253,608	$174,895

At the end of the fiscal year, August 31, 1942, Farm Bureau Services, Inc., had 126 employees which can be classified as follows:

(a) In general administration 28
(b) In manufacturing and processing (seed) 5
(c) In wholesale distribution 22
(d) In retail distribution 71

1/ Leased to local associations managed by Farm Bureau Services, Inc.

The M.F.A. Milling Company

The M.F.A. Milling Company, with headquarters at Springfield, Missouri, was organized in 1923 and reorganized on its present basis in 1929. At the end of its operating year, June 30, 1942, it was serving 105 local M.F.A. farmers cooperative exchanges with 30,000 farmer members. Its service area comprises the southern two-fifths of Missouri. 1/

The wholesale supply sales of the M.F.A. Milling Company were distributed as follows during the year ending June 30 for 1941 and 1942:

Commodities	1941	1942
Feed	$2,265,192	$5,173,475
Seed	191,589	241,341
Steel products	167,323	89,576
Twine	15,881	23,576
Total wholesale sales	$2,639,985	$5,527,968

The total net savings amounted to $129,874 in 1941 and $262,483 in 1942.

1/ The M.F.A. Milling Company is the largest wholesale purchasing association affiliated with the Missouri Farmers Association. Local M.F.A. Cooperative Exchanges in other parts of the State obtain feed, grain, and such supplies on a brokerage basis through the M.F.A. Cooperative Grain and Feed Company at Kansas City, Missouri. Wholesale service on petroleum products and related supplies is provided the M.F.A. local exchanges throughout the State by the M.F.A. Oil Company of Columbia, Missouri. For the year ending June 30, 1942, this association had sales of $1,148,024, and savings of $43,007. The wholesale grocery sales of the grocery department of the Producers Produce Company, Springfield, Missouri, for the year ending June 30, 1942, amounted to $1,094,407, and total savings to $35,792. This department serves local M.F.A. associations in a radius of about 100 miles from Springfield.

The financial condition of the M.F.A. Milling Company as of June 30, 1942, was as follows:

	1941	1942
Assets:		
Current assets	$296,772	$504,169
Fixed assets	221,995	232,678
Other assets	10,689	11,063
Total assets	$529,456	$747,910
Liabilities and net worth:		
Current liabilities	$2,817	$3,929
Other liabilities	5,218	-
Net worth	521,421	743,981
Total liabilities and net worth	$529,456	$747,910

All of the net worth on June 30, 1942, represented savings which have been retained under a revolving fund plan of financing.

As of June 30, 1942, the operating facilities consisted of the feed mill which had a cost value of $331,416 which has been depreciated to $195,755; office building which represented a cost value of $4,810, depreciated to $1,877; and six general delivery trucks which cost $15,226 but which have been depreciated to a value of $5,304.

The M.F.A. as of June 30, 1942, had 166 employees, of which 15 were classified as being in general administration, 3 in sales and service, and 148 in manufacturing and processing.

Pennsylvania Farm Bureau Co-operative Association

The Pennsylvania Farm Bureau Co-operative Association, with headquarters at Harrisburg, Pennsylvania, was organized in 1934. At the close of 1942, it was serving 25 member associations with 45,000 patrons, of which 90 percent were farmers. Its service area comprises 53 counties in the State of Pennsylvania.

The wholesale supply sales of the Pennsylvania Farm Bureau Co-operative Association were distributed as follows for the years ending December 31, 1941 and 1942:

Commodities	1941	1942
Feed	$1,243,569	$2,076,369
Fertilizer	381,970	541,399
Seed	166,951	252,137
Gas, oil, and grease	1,195,906	1,848,956
Tires, tubes, and other accessories	51,321	15,538
Farm machinery	-	37,134
Farm equipment	57,665	83,896
Steel products	51,183	26,351
Lumber, paint, and other maintenance equipment	50,194	71,458
Insecticides	84,368	87,064
Electrical equipment and appliances	-	6,790
Twine	36,457	90,647
Miscellaneous	60,642	55,166
Total wholesale supply sales	$3,380,226	$5,192,905

The net savings on these sales amounted to $129,903 in 1941 and $227,715 in 1942. The distribution of the savings was as follows:

	1941	1942
Cash dividends on stock	$11,756	$16,205
Patronage dividends in capital stock	76,503	144,253
Retained in reserves	41,644	67,257
Total net savings	$129,903	$227,715

The financial condition of the Pennsylvania Farm Bureau Co-operative Association, as of December 31, for 1941 and 1942 is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$234,142	$405,327
Fixed assets	195,144	243,323
Other assets	133,581	221,217
Total assets	$562,867	$869,867
Liabilities and net worth:		
Current liabilities	$93,580	$98,783
Other liabilities	33,875	100,125
Net worth (capital and reserves)	435,412	670,959
Total liabilities and net worth	$562,867	$869,867

As of December 31, 1942, 28 percent of the net worth had been accumulated through the sale of stock, while 72 percent had been retained out of savings.

The principal operating facilities of the Pennsylvania Farm Bureau Co-operative Association consists of the following:

Type	Number of plants or units	Depreciated value
Feed mill	2	$186,100
Fertilizer plants	2	60,700
Seed cleaning plant	1	8,550
Wholesale farm supply warehouse	1	15,750
Oil blending plants	1	28,300
Bulk petroleum plant	1	7,000
Office building	1	36,900
Transport trucks	7	36,335
Total value of facilities		$379,635

At the close of 1942 the association had 125 employees. Of these 64 were engaged in general administration, 50 in manufacturing and processing, and 11 in wholesale distribution.

Central Co-operative Wholesale

The Central Co-operative Wholesale (C.C.W.), with headquarters at Superior, Wisconsin, was organized on September 15, 1917. At the close of its operating year, December 31, 1942, it was serving 130 member and 60 non-member cooperative associations in northern Michigan, northern Wisconsin, northern Minnesota, and eastern North Dakota. These cooperative outlets served 50,000 patrons, 85 percent of whom are farmers.

The wholesale supply sales of the C.C.W. were distributed during 1941 and 1942 as follows:

Commodities	1941	1942
Feed	$1,030,087	$1,408,984
Seed	25,000	40,000
Gas, oil, and grease	452,708	482,286
Tires, tubes, and other accessories	141,921	78,881
Steel products	54,592	27,000
Lumber, paints, and other maintenance equipment	231,236	192,094
Insecticides	9,269	12,681
Electrical equipment and appliances	97,584	76,402
Twine	10,160	16,070
Coal	52,431	77,337
Groceries	1,612,153	1,520,557
Bakery products	128,423	157,407
Coffee	191,341	167,559
Clothing	398,679	439,860
Miscellaneous hardware	356,733	305,094
Total wholesale sales	$4,792,257	$5,002,212

The total net savings on these sales amounted to $144,113 in 1941 and $148,800 in 1942. These savings were distributed as follows:

	1941	1942
Cash patronage dividends	$8,510	$12,749
Patronage refunds paid in capital stock shares	102,257	123,219
Retained in reserves	23,500	-
3 percent interest on capital stock	9,846	12,832
Total net savings	$144,113	$148,800

The financial condition of the C.C.W. on December 31, for 1941 and 1942 is shown in the following statement:

	1941	1942
Assets:		
Current assets	$692,315	$603,042
Fixed assets	256,861	288,137
Other assets	24,978	47,694
Total assets	$974,154	$938,873
Liabilities and net worth:		
Current liabilities	$325,062	$237,791
Other liabilities	85,983	19,000
Net worth (capital and reserves)	563,109	682,082
Total liabilities and net worth	$974,154	$938,873

Ninety-seven percent of the net worth represented retained savings, while only 3 percent was accumulated through the sale of stock.

As of December 31, 1942, the principal operating facilities owned and operated by the C.C.W. consisted of the following:

Type	Number of plants or units	Cost value	Depreciated value
Feed mills	2	$86,618	$67,270
Coffee roastery	1	13,904	2,864
Transport trucks	3	16,732	12,380
General delivery trucks	6	20,662	10,251
Office and warehouse buildings	2	152,779	118,640
Office and printing building	1	58,265	26,612
Bakery plant	1	51,657	26,570
Total		$400,617	$264,587

At the close of 1942 the C.C.W. had 140 employees, 12 of whom were engaged in general administration, 54 in manufacturing and processing, and 74 in wholesale distribution.

Pacific Supply Cooperative

The Pacific Supply Cooperative, with headquarters at Walla Walla, Washington, was organized December 19, 1933. At the close of its operating year, December 31, 1942, it was serving 87 member cooperative associations in Oregon, Washington, Idaho, and northwest Wyoming, with 55,000 patrons, 95 percent of whom were farmers. It also served 43 nonmember associations with 15,000 patrons of whom 40 percent were farmers.

The wholesale supply sales of the Pacific Supply Cooperative were distributed during 1941 and 1942 as follows:

Commodities	1941	1942
Fertilizer	$34,133	$15,028
Seed	13,039	18,438
Gas, oil, grease, and fuel oil	2,558,101	2,638,122
Tires, tubes, and other accessories	230,281	107,124
Farm machinery and parts	11,217	33,662
Steel products	91,714	104,038
Lumber, paint, and other maintenance equipment	40,855	75,000
Insecticides	20,847	58,855
Electrical equipment and appliances	80,778	80,304
Twine	33,312	39,650
Coal	2,344	8,146
Hardware	76,667	117,697
Transport income	125,352	109,723
Miscellaneous	12,654	7,906
Total wholesale supply sales	$3,331,294	$3,413,693

Retail sales amounted to $10,443 in 1941 and $10,000 in 1942.

The total net savings amounted to $228,645 in 1941 and $319,898 in 1942. The distribution of these savings was made in the following manner:

	1941	1942
Patronage dividends in certificates of indebtedness	$180,285	$253,991
Retained in reserves	45,135	63,572
Other	3,225	2,335
Total net savings	$228,645	$319,898

The financial condition of the Pacific Supply Cooperative as of December 31, for 1941 and 1942, is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$447,007	$569,738
Fixed assets	94,976	85,398
Other assets	229,495	217,799
Total assets	$771,478	$872,935
Liabilities and net worth:		
Current liabilities	$161,981	$62,910
Other liabilities	23,611	403
Net worth (capital and reserves)	585,886	809,622
Total liabilities and net worth	$771,478	$872,935

Practically all of the net worth, as shown on December 31, 1942, represented savings retained out of earnings.

As of December 31, 1942, the Pacific Supply Cooperative owned and operated these principal facilities:

Type	Number of plants or units	Cost value	Depreciated value
Wholesale farm supply warehouses	4	$71,534	$62,761
Transport trucks	4	39,822	7,733
Total value		$111,356	$70,494

At the close of 1942, the Pacific Supply Cooperative had 38 employees, 16 of whom were engaged in general administration, and 22 in wholesale distribution.

Farmers Union State Exchange

The Farmers Union State Exchange, with headquarters at Omaha, Nebraska, was organized in 1916. At the end of its operating year, December 31, 1942, it was serving 319 member associations with 45,000 patrons, of whom 95 percent were farmers. Through 11 private dealers it reached 2,000 patrons, of whom 90 percent were farmers. The Exchange operates in the State of Nebraska and nearby territory in Wyoming and Iowa.

The wholesale supply sales of the Farmers Union State Exchange were distributed during 1941 and 1942 as follows:

Commodities	1941	1942
Feed	$69,335	$98,081
Seed	41,535	34,693
Gas, oil, and grease	1,247,472	1,344,145
Tires, tubes, and other accessories	46,224	15,155
Farm equipment and hardware	189,927	204,474
Steel products	98,870	69,432
Paint	22,567	26,462
Twine	118,483	81,331
Coal	67,970	84,217
Groceries	151,850	170,048
Clothing	39,880	53,673
Produce	194,740	203,451
Stationery	4,348	4,683
Miscellaneous	12,219	17,242
Truck income	99,470	90,024
Total wholesale supply sales	$2,404,890	$2,497,111

The Farmers Union State Exchange also had retail sales of $748,742 in 1941 and $879,970 in 1942.

The total net savings from all operations amounted to $99,741 in 1941 and $129,722 in 1942. The distribution of these savings was as follows:

	1941	1942
Cash dividends on stock	$12,039	$12,514
Cash patronage dividends	40,476	49,476
Patronage dividends in capital stock	12,082	25,059
Patronage dividends allocated	12,082	25,058
Retained in reserves	23,062	17,615
Total net savings	$99,741	$129,722

The financial condition of the Farmers Union State Exchange as of December 31, for 1941 and 1942, is shown in the following condensed financial statement:

	1941	1942
Assets:		
Current assets	$312,240	$309,308
Fixed assets	174,914	162,023
Other assets	178,848	133,446
Total assets	$666,002	$604,777
Liabilities and net worth:		
Current liabilities	$52,323	$21,960
Other liabilities	272,199	127,242
Net worth (capital and reserves)	341,480	455,575
Total liabilities and net worth	$666,002	$604,777

As of December 31, 1942, 65 percent of the net worth had been accumulated through the sale of stock, while 35 percent represented savings retained out of earnings.

The facilities owned and operated by the Exchange as of December 31, 1942 consisted of a feed mixing plant, a seed cleaning plant, a wholesale farm supply warehouse, 14 retail farm supply stores, four bulk petroleum plants, an office building, seven transport trucks, four general delivery trucks, and a produce plant.

At the close of 1942, the Exchange had 170 employees. Sixty-four were engaged in wholesale distribution and 106 in retail distribution.

PART II

COMBINED INFORMATION FOR 17 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1941 AND IN 1942

In this section the information presented in part I for the individual associations is combined and analyzed to show the general character and significance of these 17 major regional farm supply purchasing associations.

Age of Organizations

The 17 regional farm supply purchasing cooperatives described in Part I were organized in the following years:

Year	Number of associations organized during specified year
1907	1
1916	1
1917	1
1918	1
1920	1
1923	2
1926	1
1927	2
1929	2
1931	1
1933	2
1934	2

Only 5 of these associations were in existence by 1920. By 1930 there were 12. The remaining 5 were established early in the 1930's. The average age for the 17 associations is now 18 years.

Area of Service

The statements for the 17 regional associations in part I show that they render service generally throughout the United States except for a large part of the South and the Southwest. While there are several regional purchasing associations serving in the South and Southwest, none of these had a supply volume in 1942 in excess of 2 million dollars a year. 1/ It should also be clearly understood that a number of other regional purchasing associations also operate in the area served by the 17 regional purchasing associations.

Type of Retail Outlet

The 17 major regional farm supply purchasing cooperatives distribute supplies through some 7,767 retail outlets which can be classified as follows:

Local cooperative "member" associations	2,518
Local cooperative "nonmember" associations	879
Affiliated cooperative service associations	374
Private service agencies	1,345
Farmer-representatives	2,651

1/ The two largest regional farm supply purchasing associations in this area are the Mississippi Federated Cooperatives of Jackson, Mississippi, and the Consumers Cooperatives Associated of Amarillo, Texas.

The local cooperative associations listed above are autonomous organizations. The "member" associations hold membership interests in the regional associations while the "nonmember" associations are simply served by the regional associations. The affiliated cooperative service associations can be described as associations or branch outlets which are under the direct management of regional associations. Private service agencies are simply private concerns which render distribution service for the regional cooperative associations under agreed-upon plans. Similarly, the farmer-representatives are farmers who serve as distribution agents for the regional associations. For more complete information on the character of local service outlets the reader is referred to the individual reports given in part I.

Number of Patrons Served

The 17 regional associations estimated that their various local outlets at the end of their fiscal years ending in 1942 were together serving 1,627,835 farmer patrons and 150,665 nonfarmer patrons, or a total of 1,778,500 patrons.1/ Thus, 91.5 percent of the total patrons were farmers, while 8.5 percent were nonfarmers. On the basis of the information furnished by the regional associations it is estimated that farmer patrons purchased over 95 percent of the volume of supplies distributed through the local outlets of the 17 regional associations.

Number and Type of Employees

According to the data in part I, the 17 regional associations, at the end of the 1942 fiscal year, employed a total of some 8,308 persons. Of these, 1,448, or 18 percent, were engaged in general administration, while 4,011, or 48 percent, were engaged in manufacturing, processing, and wholesale distribution. The remaining 2,849, or 34 percent, were employed in retail supply distribution or in agricultural marketing work.

Volume of Business

For the 17 regional associations combined, the value of supplies sold at wholesale and retail, plus the value of farm products marketed, amounted to $287,960,907 for the fiscal years ending in 1942, while the comparable volume for the same periods ending in 1941 was $213,435,407. The outstanding position in sales volume of the Cooperative Grange League Federation Exchange, Inc., is clearly indicated in figure 1 based on table 1. Seven of the 17 associations each had volumes of more than 10 million dollars per association. The combined purchasing and marketing sales of these 7 associations for their 1942 fiscal years amounted to $225,729,111.

1/ On the basis of other studies made by the Cooperative Research and Service Division, it is believed that this total considerably overstates the number of actual patrons.

Type of Supplies Handled

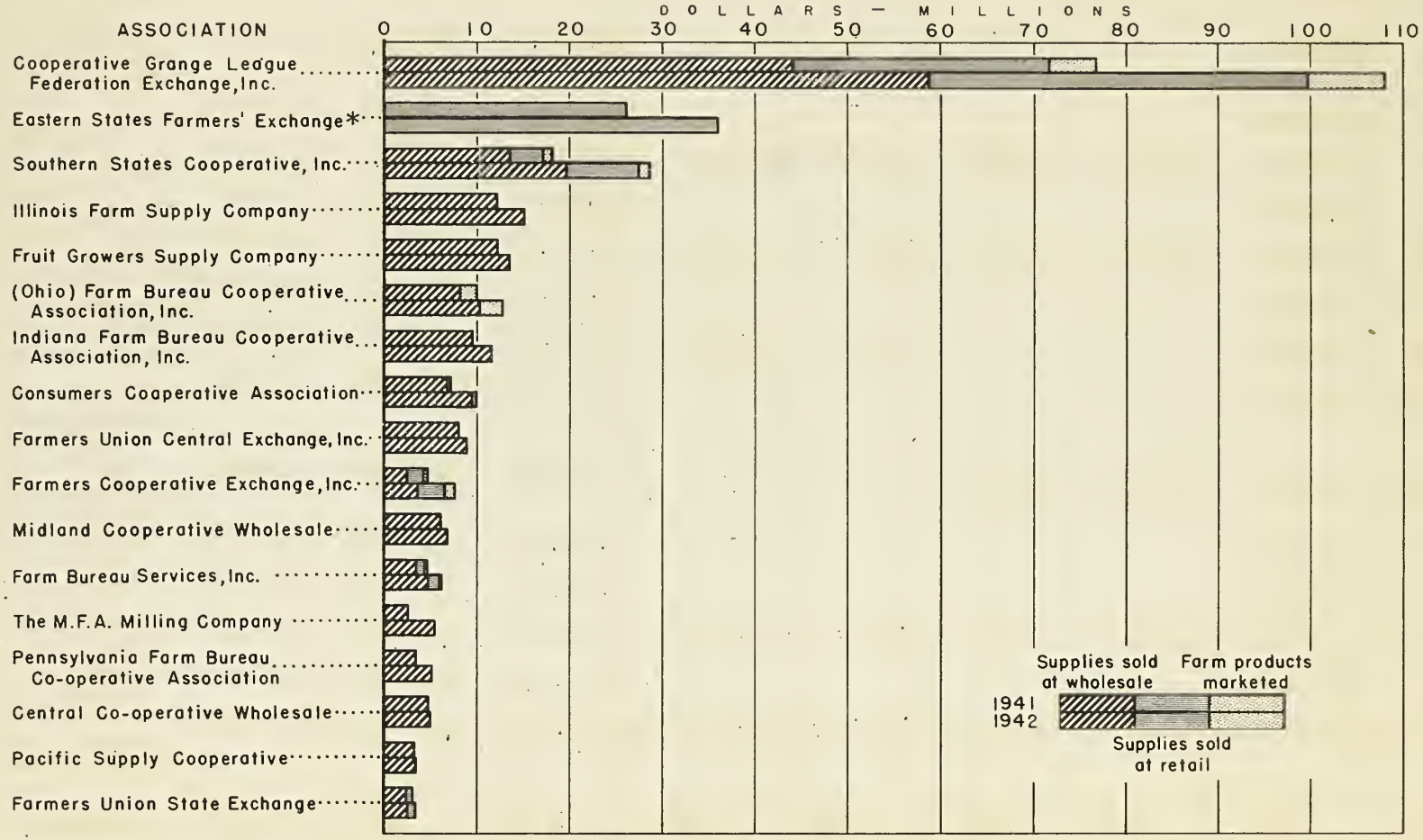
The relative significance of the various supplies distributed at wholesale 1/ by the 17 regional associations for their fiscal years ending in 1942 is shown in figure 2, which is based on the data in tables 2 and 3. It will be noted that feed predominated in the sales volume of the eastern associations while petroleum products and related supplies predominated in the sales volume of most of the associations in the Central West. It is also significant that packaging material predominated in the sales volume of the Fruit Growers Supply Company which renders a cooperative purchasing service for the citrus growers of Southern California. In the following 5 associations no one line of supplies was predominant: The (Ohio) Farm Bureau Cooperative Association, Inc., the Indiana Farm Bureau Cooperative Association, Inc., the (Michigan) Farm Bureau Services, Inc., the Pennsylvania Farm Bureau Cooperative Association, and the Central Cooperative Wholesale. For the 17 associations combined, feed represented 47.3 percent of the wholesale sales volume, petroleum products and auto accessories 22.7 percent, and fertilizer 10 percent.

Figure 3, based on table 4, shows the relative significance of the various supplies distributed at wholesale by the 17 regional associations when all sales are combined for their fiscal years ending in 1941 and in 1942. The greatly increased demand for farm supplies to meet war production goals is indicated by the increased value of sales of such supplies as feed, petroleum products, seed, fertilizer, lumber, paint, and twine. On the other hand, the restrictions due to shortages of rubber, steel, and other critical materials, were reflected in the decreased sales of such items as tires and tubes, steel products, and electrical equipment. It should be noted that the higher level of prices which prevailed in 1942 tends to reduce the significance of the sales increases and to make less apparent the decreases which occurred in the amounts of other supplies sold.

1/ The volume of the Eastern States Farmers' Exchange is broken down on the basis of purchases by individual patrons since the Exchange integrates all wholesale and retail functions performed incident to final sales.

FIGURE I

VOLUME OF SUPPLIES SOLD AT WHOLESALE AND RETAIL, AND FARM PRODUCTS MARKETED, FOR 17 MAJOR REGIONAL COOPERATIVE PURCHASING ASSOCIATIONS, FISCAL YEARS 1941 AND 1942



*Sales of Eastern States Farmers' Exchange were reported as purchases by individual patrons. The Exchange integrates all wholesale and retail functions performed incident to final sales

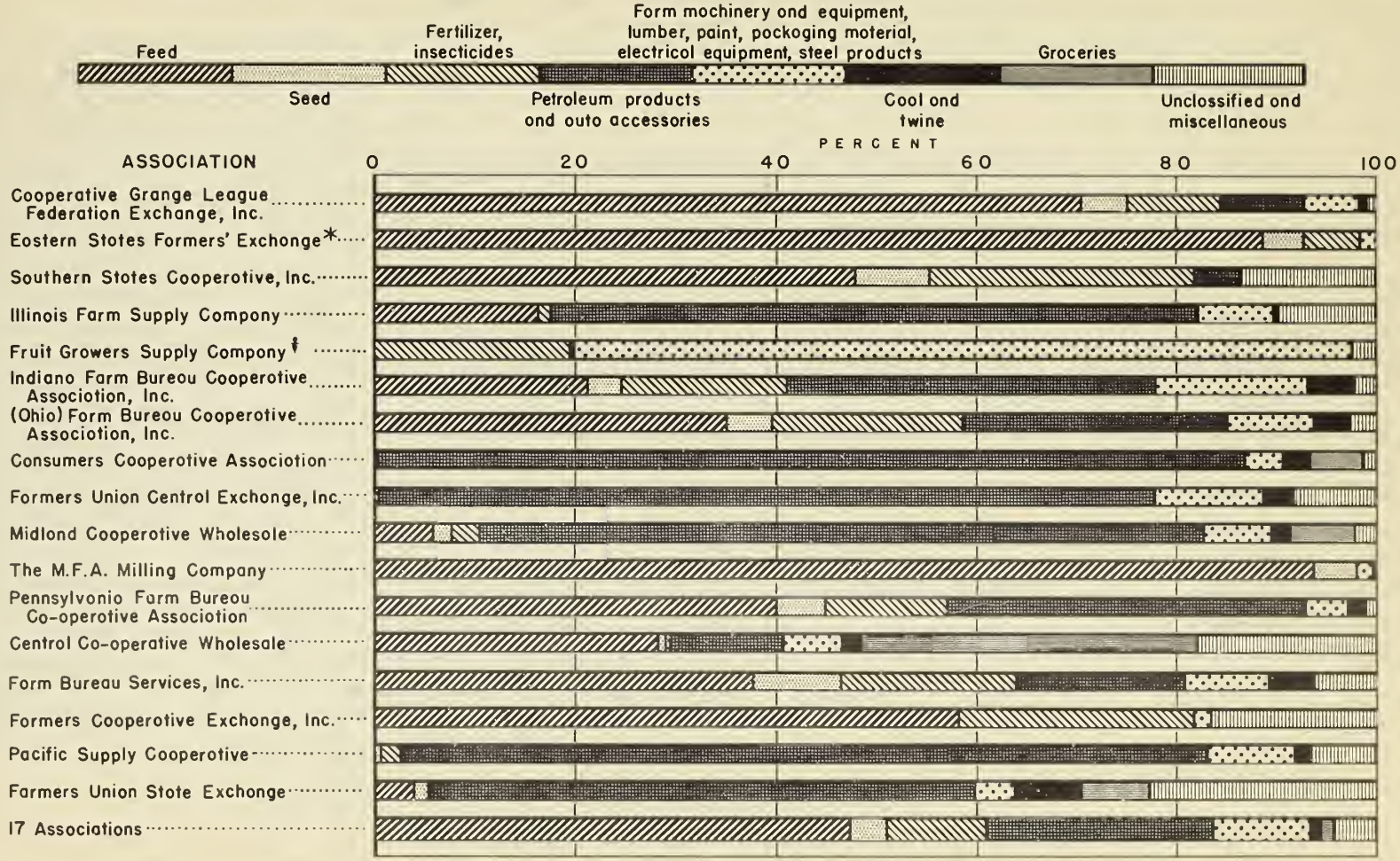
08696-1

TABLE 1. - VOLUME OF SALES AND VALUE OF FARM PRODUCTS MARKETED FOR 17 MAJOR COOPERATIVE PURCHASING ASSOCIATIONS FOR FISCAL YEAR ENDING IN 1941 AND 1942

Association	Year ending	Wholesale supply sales		Retail sales		Farm products marketed		Total	
		1941	1942	1941	1942	1941	1942	1941	1942
Cooperative Grange League Federation Exchange, Inc.	June 30	$44,044,057	$58,850,230	$27,763,906	$40,975,736	$4,991,664	$8,198,528	$76,799,627	$108,024,494
Eastern States Farmers Exchange	Dec. 31	26,240,827	35,972,464	-	-	-	-	26,240,827	35,972,464
Southern States Cooperative, Inc.	June 30	13,573,987	19,700,580	3,487,322	7,819,562	1,019,405	1,197,720	18,080,714	28,717,862
Illinois Farm Supply Company	Aug. 31	12,337,311	15,083,780	-	-	-	-	12,337,311	15,083,780
Fruit Growers Supply Company	Dec. 31	12,277,233	13,552,646	-	-	-	-	12,277,233	13,552,846
(Ohio) Farm Bureau Cooperative Association, Inc.	Dec. 31	8,178,957	10,296,043	-	-	1,799,929	2,554,543	9,978,886	12,850,586
Indiana Farm Bureau Cooperative Association, Inc.	Dec. 31	9,498,597	11,527,079	-	-	-	-	9,498,597	11,527,079
Consumers Cooperative Association	Aug. 31	6,851,056	9,428,887	383,450	456,311	-	-	7,234,506	9,885,198
Farmers Union Central Exchange, Inc.	Dec. 31	8,053,425	8,949,756	-	-	-	-	8,053,425	8,949,756
Farmers Cooperative Exchange, Inc.	Dec. 31	2,474,387	3,655,782	1,848,871	2,825,572	388,877	1,116,099	4,712,135	7,597,453
Midland Cooperative Wholesale	Dec. 31	6,228,796	6,949,509	-	-	-	-	6,228,796	6,949,509
Farm Bureau Services, Inc.	Aug. 31	3,523,985	4,760,028	928,714	1,244,298	232,814	321,695	4,685,513	6,326,021
The M.F.A. Milling Company	June 30	2,639,985	5,527,968	-	-	-	-	2,639,985	5,527,968
Pennsylvania Farm Bureau Co-operative Association	Dec. 31	3,380,226	5,192,905	-	-	-	-	3,380,226	5,192,905
Central Cooperative Wholesale	Dec. 31	4,792,257	5,002,212	-	-	-	-	4,792,257	5,002,212
Pacific Supply Cooperative	Dec. 31	3,331,294	3,413,693	10,443	10,000	-	-	3,341,737	3,423,693
Farmers Union State Exchange	Dec. 31	2,404,890	2,497,111	748,742	879,970	-	-	3,153,632	3,377,081
Total		$169,831,270	$220,360,873	$35,171,448	$54,211,449	$8,432,689	$13,388,585	$213,435,407	$287,960,907

FIGURE 2

PERCENTAGE BREAKDOWN BY COMMODITY OF WHOLESALE SUPPLY SALES OF 17 MAJOR REGIONAL COOPERATIVE PURCHASING ASSOCIATIONS, FISCAL YEAR 1942



* *Sales of Eastern States Farmers' Exchange were reported as purchases by individual patrons. The Exchange integrates all wholesale and retail functions performed incident to final sales.*
† *78 % of total volume represented box shook, paper wraps, and other packaging materials.*

08696-2

TABLE 2. - WHOLESALE SUPPLY SALES OF 17 MAJOR COOPERATIVE PURCHASING ASSOCIATIONS FOR FISCAL YEARS ENDING IN 1942

Association	Feed	Seed	Fertilizer insecticides	Petroleum products and auto accessories	Farm machinery and equipment, lumber, paint, packaging material, electrical equipment, steel products	Coal and twine	Groceries	Unclassified and miscellaneous	Total
Cooperative Grange League Federation Exchange, Inc.	$41,414,222	$2,748,743	$5,477,051	$4,965,278	$3,323,540	$356,249	$ -	$565,142	$58,850,230
Eastern States Farmers' Exchange*	31,905,302	1,433,302	2,139,861	-	493,999	-	-	-	35,972,464
Southern States Cooperative, Inc.	9,427,459	1,461,389	5,206,397	900,677	-	-	-	2,704,658	19,700,580
Illinois Farm Supply Company	2,481,061	-	183,552	9,730,317	1,143,372	39,541	-	1,505,937	15,083,780
Fruit Growers Supply Company	-	-	2,641,687	45,022	10,532,524	-	-	333,613	13,552,846
Indiana Farm Bureau Cooperative Association, Inc.	2,442,397	378,688	1,894,478	4,259,055	1,754,474	523,605	-	274,382	11,527,079
Ohio Farm Bureau Cooperative Association, Inc.	3,612,712	463,378	1,950,939	2,713,462	906,581	358,266	-	290,685	10,296,043
Consumers Cooperative Association	-	-	17,324	8,158,419	355,664	255,268	504,455	137,757	9,428,887
Farmers Union Central Exchange, Inc.	1/	1/	2/ 25,048	6,931,198	978,487	232,413	21,961	3/ 760,649	8,949,756
Midland Cooperative Wholesale	411,689	128,509	183,370	5,021,089	464,566	122,054	459,055	159,177	6,949,509
The M.F.A. Milling Company	5,173,475	241,341	-	-	89,576	23,576	-	-	5,527,968
Pennsylvania Farm Bureau Co-operative Association	2,076,369	252,137	628,463	1,864,194	225,629	90,647	-	55,136	5,192,905
Central Co-operative Wholesale	1,408,984	40,000	12,681	561,167	295,496	93,407	1,688,116	902,361	5,002,212
Farm Bureau Services, Inc.	1,792,261	416,214	836,078	4/ 800,331	5/ 404,428	215,692	-	3/ 295,024	4,760,028
Farmers Cooperative Exchange, Inc.	2,127,597	1/	854,007	-	65,093	-	-	3/ 609,085	3,655,782
Pacific Supply Cooperative	-	18,438	73,883	2,745,246	293,004	47,796	-	235,326	3,413,693
Farmers Union State Exchange	98,081	34,693	-	1,359,300	95,894	165,548	170,048	573,547	2,497,111
Total	$104,351,609	$7,616,837	$22,124,819	$50,075,075	$21,422,327	$2,524,062	$2,843,635	$9,402,509	$220,360,873

1/ Unclassified 2/ Fertilizer in Miscellaneous 3/ Unclassified and miscellaneous

4/ Tires and tubes in miscellaneous 5/ Farm equipment and machinery in miscellaneous

*Sales of Eastern States Farmers' Exchange were reported as purchases by individual patrons. The Exchange integrates all wholesale and retail functions performed incident to final sales.

TABLE 3. - PERCENTAGE BREAKDOWN BY COMMODITY OF WHOLESALE SUPPLY SALES OF 17 MAJOR COOPERATIVE PURCHASING ASSOCIATIONS FOR FISCAL YEARS ENDING IN 1942

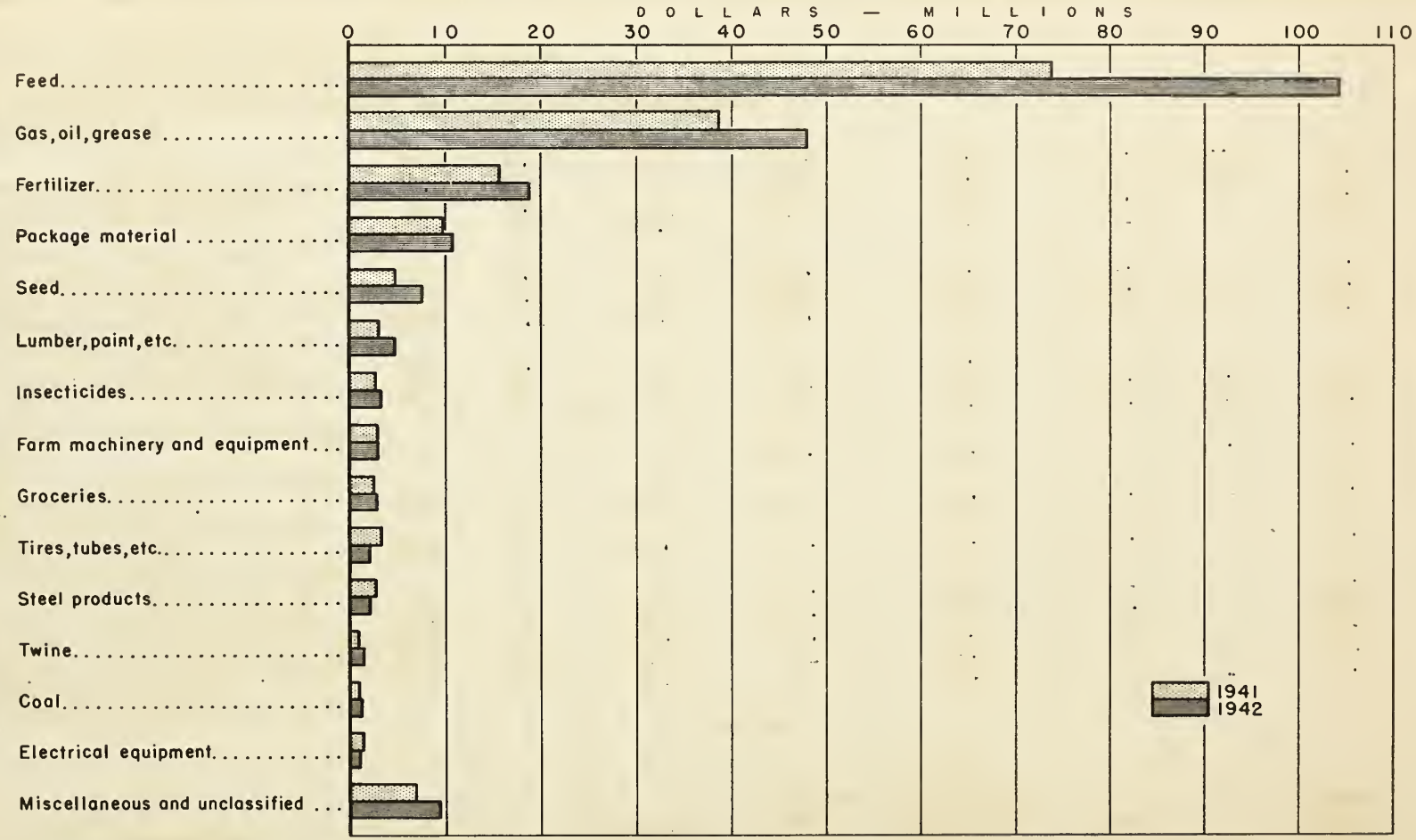
Association	Feed	Seed	Fertilizer insecticides	Petroleum products and auto accessories	Farm machinery and equipment, lumber, paint, packaging material, electrical equipment, steel products	Coal and twine	Groceries	Unclassified and Miscellaneous	Total
	Percent								
Cooperative Grange League Federation Exchange, Inc.	70.4	4.7	9.3	8.4	5.6	.6	-	1.0	100.0
Eastern States Farmers' Exchange	88.7	4.0	5.9	-	1.4	-	-	-	100.0
Southern States Cooperative, Inc	47.9	7.4	26.4	4.6	-	-	-	13.7	100.0
Illinois Farm Supply Company	16.3	-	1.2	64.6	7.6	.3	-	10.0	100.0
Fruit Growers Supply Company	-	-	19.5	.3	77.7	-	-	2.5	100.0
Indiana Farm Bureau Cooperative Association, Inc.	21.2	3.3	16.5	36.9	15.1	4.6	-	2.4	100.0
Ohio Farm Bureau Cooperative Association, Inc.	35.0	4.5	19.0	26.4	8.8	3.5	-	2.8	100.0
Consumers Cooperative Association	-	-	.2	86.5	3.8	2.7	5.3	1.5	100.0
Farmers Union Central Exchange, Inc.	1/	1/	3/ .3	77.5	10.8	2.6	.3	1/ 8.5	100.0
Midland Cooperative Wholesale	5.9	1.8	2.7	72.2	6.8	1.8	6.6	2.2	100.0
The M.F.A. Milling Company	93.6	4.4	-	-	1.6	.4	-	-	100.0
Pennsylvania Farm Bureau Cooperative Association	40.0	4.9	12.1	35.9	4.3	1.7	-	1.1	100.0
Central Co-operative Wholesale	28.2	.8	.3	11.3	5.9	1.8	33.7	18.0	100.0
Farm Bureau Services, Inc.	37.7	8.7	17.5	5/ 16.8	4/ 8.5	4.6	-	1/ 6.2	100.0
Farmers Cooperative Exchange, Inc.	58.2	1/	23.3	-	1.8	-	-	1/ 16.7	100.0
Pacific Supply Cooperative	-	.5	2.1	80.4	8.7	1.4	-	6.9	100.0
Farmers Union State Exchange	3.9	1.4	-	54.4	3.9	6.7	6.8	22.9	100.0
Total	47.3	3.5	10.0	22.7	9.8	1.1	1.3	4.3	100.0

1/ Unclassified
2/ Unclassified and miscellaneous. All others are miscellaneous
3/ Fertilizer in miscellaneous
4/ Farm machinery and equipment in miscellaneous
5/ Tires and tubes in miscellaneous

*Sales of Eastern States Farmers' Exchange were reported as purchases by individual patrons. The Exchange integrates all wholesale and retail functions performed incident to final sales.

FIGURE 3

BREAKDOWN OF COMBINED WHOLESALE SUPPLY SALES OF 17 MAJOR REGIONAL COOPERATIVE PURCHASING ASSOCIATIONS FOR THEIR FISCAL YEARS 1941 AND 1942*



*Includes volume of Eastern States Farmers' Exchange reported as direct sales to individual purchasers. The exchange performs all distributive functions prior to final sale to patrons.

08696-3

TABLE 4. - CLASSIFICATION OF COMBINED WHOLESALE SUPPLY SALES OF 17 MAJOR COOPERATIVE PURCHASING ASSOCIATIONS FOR FISCAL YEARS, 1941 AND 1942

Commodity	1941	1942	Percentage increase or decrease
Feed	$73,794,856	$104,351,609	41.4
Gas, oil, grease	38,719,502	47,966,314	23.9
Fertilizer	15,683,820	18,835,164	20.1
Package material, drums, containers	9,782,356	10,701,580	9.4
Seed	4,849,715	7,616,837	57.1
Lumber, paint, maintenance equipment	2,970,434	4,770,853	60.6
Insecticides	2,719,267	3,289,655	21.0
Farm machinery and equipment	2,864,555	2,887,478	.8
Groceries	2,508,814	2,843,635	13.3
Tires, tubes and other accessories	3,282,131	2,108,761	-35.8
Steel products	2,679,608	2,060,815	-23.1
Twine	786,080	1,362,850	73.4
Coal	917,886	1,161,212	26.5
Electrical equipment and maintenance	1,342,400	1,001,601	-25.4
Miscellaneous and unclassified	6,929,846	9,402,509	35.7
Totals	$169,831,270	$220,360,873	29.8

Distribution of Savings

The amount and distribution of combined savings for the 17 associations for their fiscal years ending in 1941 and in 1942 is shown in figure 4 and table 5. While total savings increased from $9,548,341 in 1941 to $13,494,047 in 1942, or by 41.3 percent, the amount distributed in cash patronage dividends showed a slight decrease. On the other hand, the amount of savings distributed in the form of capital stock or certificates of equity increased from $1,558,810 to $3,891,458, or by 151 percent, while the amount retained in reserves increased from $2,443,746 to $3,886,962, or by 59 percent. These comparisons show that these regional associations as a group retained a large part of the increased savings for their fiscal years ending in 1942 either in the form of increased membership capital or reserves, as a means of strengthening their ability to meet war and post-war contingencies.

Financial Condition

The financial conditions of the 17 associations as a group at the close of their fiscal years in 1941 and in 1942 are given in figure 5, table 6.

FIGURE 4

DISTRIBUTION OF THE COMBINED NET SAVINGS OF 17 MAJOR REGIONAL COOPERATIVE PURCHASING ASSOCIATIONS, FOR THEIR FISCAL YEARS 1941 AND 1942

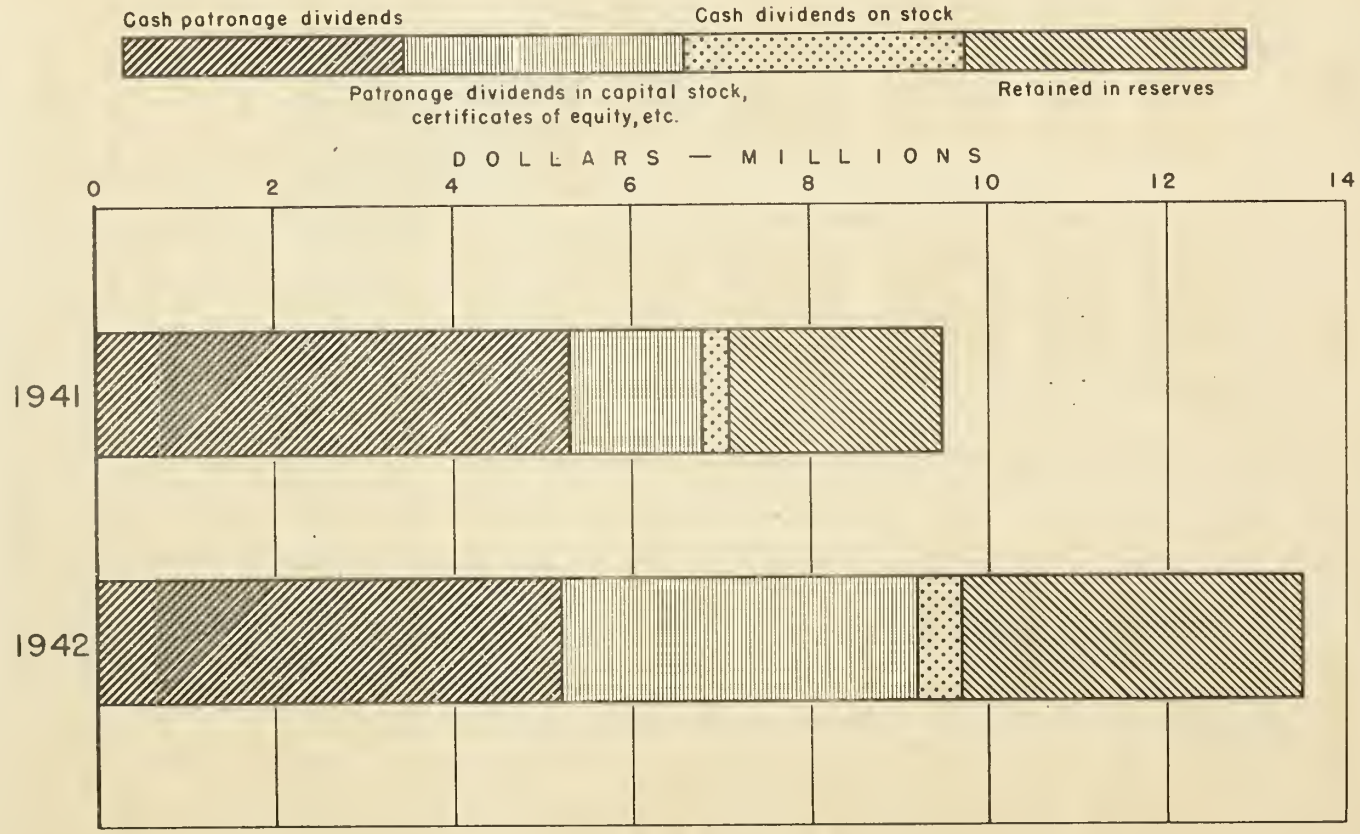


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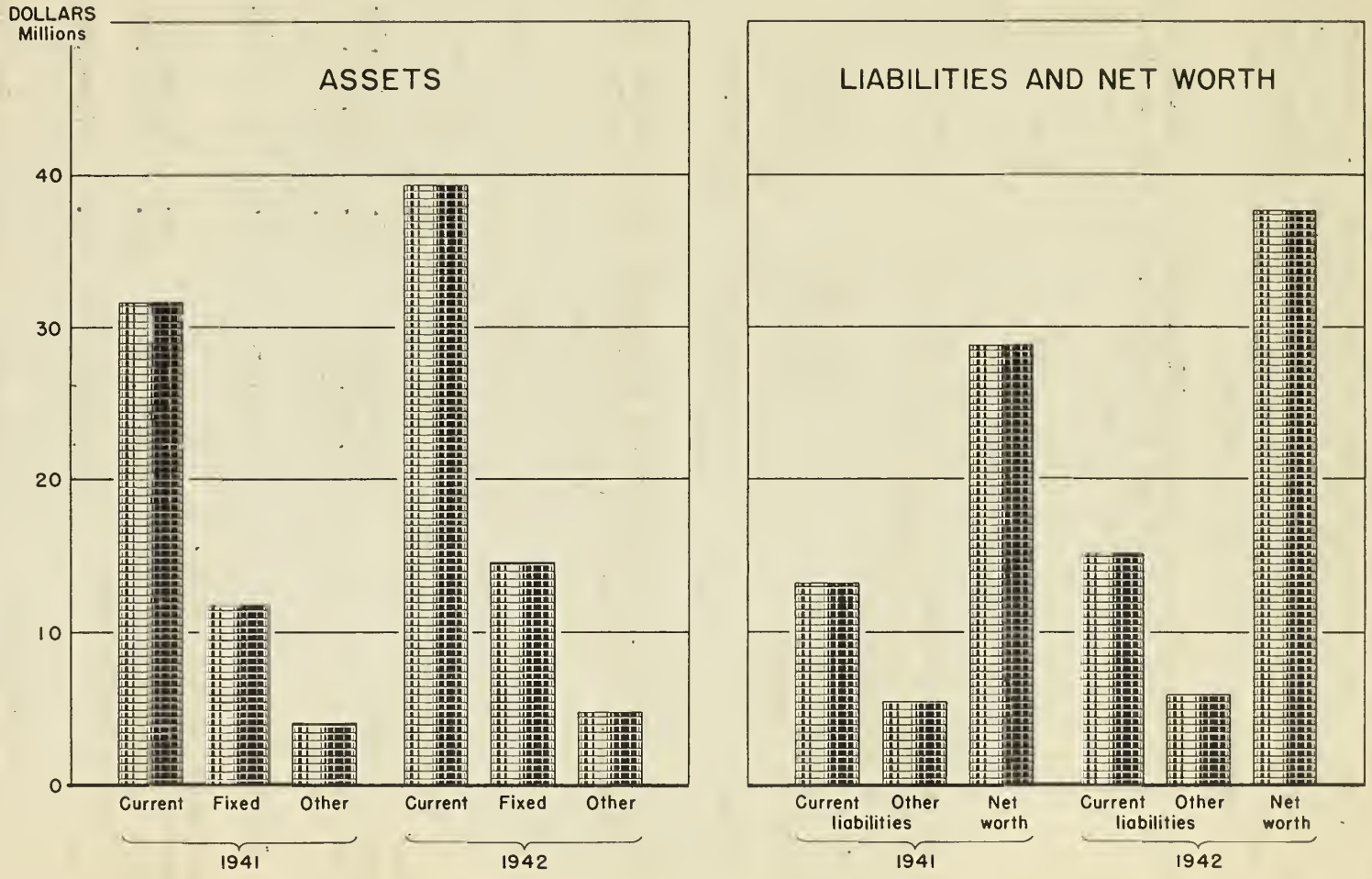
FIGURE 5

CONSOLIDATED FINANCIAL STATEMENT FOR 17 MAJOR REGIONAL COOPERATIVE PURCHASING ASSOCIATIONS, CLOSE OF THEIR FISCAL YEARS 1941 AND 1942



It is of interest that the combined total assets increased from $47,412,042 in 1941 to $58,655,195 in 1942, or by 23.7 percent, while the net worth increased from $28,779,579 to $37,646,846, or by 30.8 percent. At the end of their 1942 fiscal years the 17 associations combined had net worth equal to 64.2 percent of their total assets as compared with 60.7 percent for the preceding periods.

TABLE 5. - DISTRIBUTION OF COMBINED NET SAVINGS OF 17 MAJOR COOPERATIVE PURCHASING ASSOCIATIONS FOR FISCAL YEARS, 1941, AND 1942

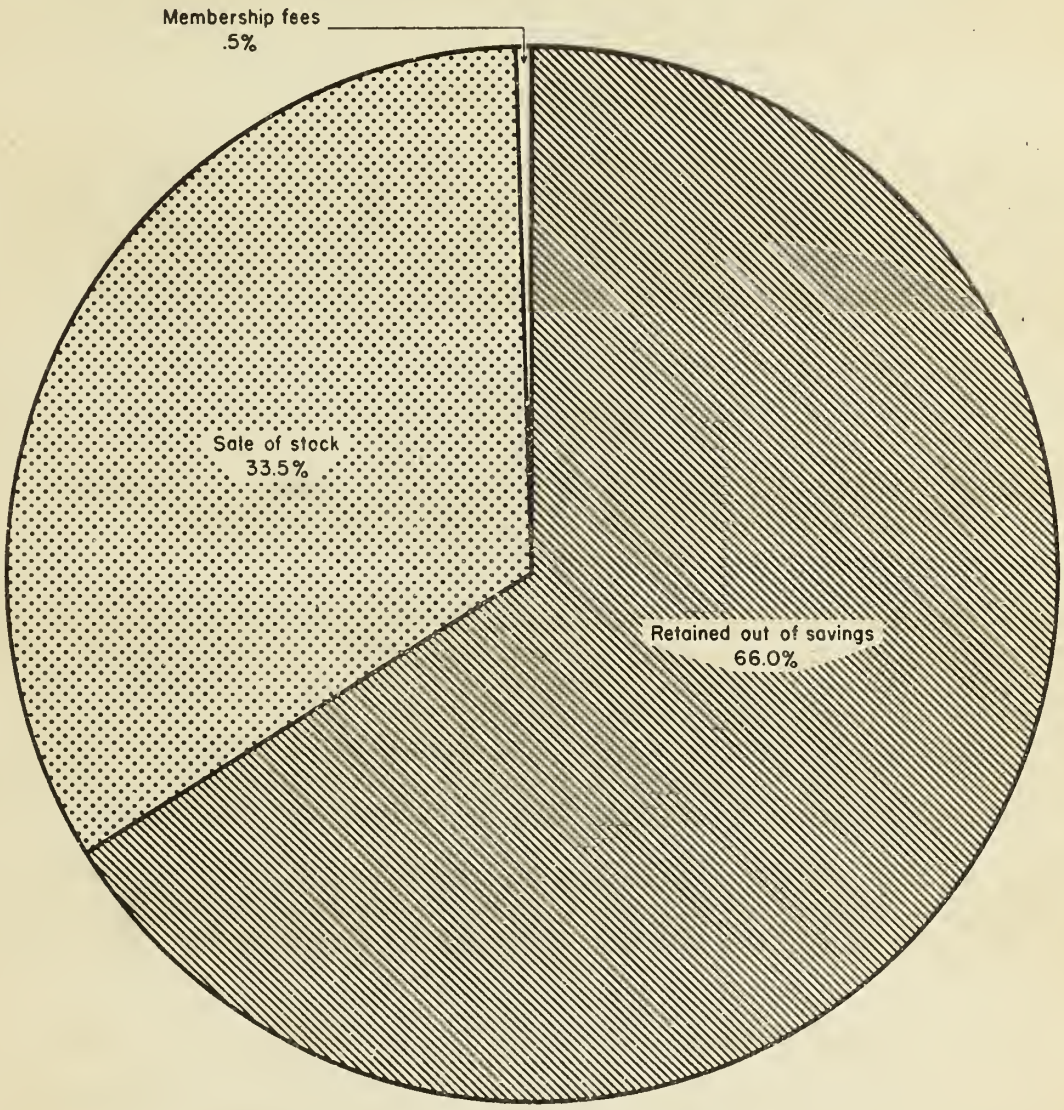
	1941	1942	Percentage increase or decrease
Cash patronage dividends	$5,251,121	$5,241,856	.2
Patronage dividends in capital stock and certificates of equity	1,550,810	3,891,458	150.9
Cash dividends on stock	302,664	474,571	56.8
Retained in reserves	2,443,746	3,886,162	59.0
Total	$9,548,341	$13,494,047	41.3

TABLE 6. - CONSOLIDATED FINANCIAL STATEMENTS FOR 17 MAJOR COOPERATIVE PURCHASING ASSOCIATIONS, AT THE CLOSE OF THEIR FISCAL YEARS, 1941 AND 1942

	1941		1942	
	Dollars	Percent	Dollars	Percent
Assets:				
Current assets	31,610,214	66.7	39,306,502	67.0
Fixed assets	11,795,276	24.9	14,583,932	24.9
Other assets	4,006,552	8.4	4,764,761	8.1
Total assets	47,412,042	100.0	58,655,195	100.0
Liabilities and net worth:				
Current liabilities	13,202,896	27.8	15,096,273	25.7
Other liabilities	5,429,567	11.5	5,912,076	10.1
Net worth (capital and reserves)	28,779,579	60.7	37,646,846	64.2
Total liabilities and net worth	47,412,042	100.0	58,655,195	100.0

FIGURE 6

SOURCE OF TOTAL NET WORTH FOR 17 MAJOR REGIONAL COOPERATIVE PURCHASING ASSOCIATIONS AT CLOSE OF THEIR FISCAL YEARS 1942



Total net worth $37,646,846

08696-6

The 17 associations combined had $2.60 in current assets for each $1 in current liabilities at the end of their 1942 fiscal years as compared with a current ratio of $2.39 to $1 for the preceding year.

The improvement in the ratio of net worth to total assets and in the ratio of current assets to current liabilities shows clearly that these associations as a group strengthened their financial position during their fiscal years ending in 1942.

Source of Net Worth

At the close of their fiscal years in 1942 the 17 major regional purchasing cooperatives had a total net worth of $37,646,846. Of this amount, the associations reported that $24,865,765, or 66 percent, represented amounts which had been retained out of savings, while $12,604,624, or 33.5 percent represented amounts accumulated through sale of stock. (See figure 6.)

APPENDIX A

VALUE OF SUPPLIES DISTRIBUTED BY THREE MAJOR REGIONAL MARKETING-PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1941 AND IN 1942

The three regional marketing-purchasing associations which distribute the largest amounts of farm supplies are the Washington Cooperative Egg and Poultry Association, the Poultry Producers of Central California, and the Utah Poultry Producers Cooperative Association. All of these associations are centralized organizations with distribution being direct to farmers through local branches maintained by each association. Sales are thus expressed in terms of amounts paid by farmers for supplies.

The value of feed and other farm supplies distributed to its members by the Washington Cooperative Egg and Poultry Association of Seattle, Washington, was as follows for the years ending December 31, 1941 and 1942.

Commodities	1941	1942
Feed		$9,029,648
Seeds	$6,513,917	99,257
Fertilizer		70,047
Petroleum	229,661	837,792
Other farm supplies, such as paints, automotive supplies, steel products, roofing, etc.	115,879	242,750
Total	$6,859,457	$10,279,494

Net savings to members on supply operations amounted to $654,028 in 1941 and $859,752 in 1942, after paying $56,725 in 1941 and $60,876 in 1942 in the form of 6 percent dividends on capital stock for financing such operations.

The Poultry Producers of Central California with headquarters in San Francisco is the next largest marketing-purchasing association in terms of farm supply volume. Its farm supply sales were as follows for the fiscal years ending December 31, 1941 and 1942:

Commodities	1941	1942
Feed	$7,118,674	$9,869,145
Supplies	84,212	113,509
Gasoline	-	150,192
Total	$7,202,886	$10,132,846

The value of farm supplies distributed by the Utah Poultry Producers Cooperative Association, Salt Lake City, Utah, were as follows for the years ending December 31, 1941 and 1942:

Commodities	1941	1942
Feed	$2,600,000	$3,600,000
Supplies	75,000	133,000
Gas, oil, accessories	34,000	36,800
Total	$2,709,000	$3,769,000

It will be observed that feed was the principal supply distributed by these three associations. In 1942 feed represented 93 percent of all supply sales. Altogether these three associations increased supply sales from $16,771,343 in 1941 to $24,182,139 in 1942, or an increase of 44.2 percent. This increase compares favorably with an increase during the same years of 33.9 percent in total supply sales for the 17 major regional purchasing associations combined.